

DEPARTMENT OF INSURANCE

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**NOTICE**

DATE: July 1, 2004

TO: All Admitted Insurers and Other Interested Parties

SUBJECT: Life Agents Annuity Training Requirement

Senate Bill 620 (Scott, Chapter 547, Statutes of 2003) was signed into law on September 29, 2003. This law requires that effective January 1, 2005, life agents who sell annuity products must satisfactorily complete eight hours of training prior to soliciting individual consumers in order to sell annuities. This law pertains to both California resident and non-resident agents. This training requirement does not apply to nonresident agents representing a direct response provider as defined within Section 1749.8 of the California Insurance Code.

Both classroom and correspondence courses have been approved by the California Department of Insurance (CDI) to meet this requirement. A listing of the courses approved by the CDI can be accessed through the CDI's Web site at www.insurance.ca.gov. Once at the website, access the [education provider/course search](#). Be sure to select "Life Agent" as the License Type, "Continuing Education" as the Education Type, and "2004 Annuity" as the Category Type.

To verify that agents selling annuities are meeting the training requirement, the CDI will be checking insurer's records during market conduct reviews. Market conduct reviews may include requests for verification from insurers that their life agents authorized to sell their annuity products completed the annuity training requirement. Legal action may be pursued if agents are found to not be meeting the annuity training requirement.

Senate Bill 620 also requires that effective January 1, 2005, life agents who sell annuity products must satisfactorily complete four hours of training every two years prior to license renewal. For California resident agents, this requirement shall be part of, and not in addition to, the continuing education requirements of Section 1749.3 of the California Insurance Code. Life agents are required to complete the 4-hour training course beginning with the license term that follows the license term in which they completed the 8-hour initial training course.

Please contact either the CDI's Toll-Free Producer Licensing Number at 1-800-967-9331 or the CDI web site at www.insurance.ca.gov should you have any questions concerning the life agent annuity training requirement.